

By: Canales

H.B. No. 286

A BILL TO BE ENTITLED

AN ACT

relating to collection costs that may be imposed in connection with certain delinquent ad valorem taxes owed by disabled veterans.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 33.07, Tax Code, is amended by amending Subsection (a) and adding Subsections (e) and (f) to read as follows:

(a) A taxing unit or appraisal district may provide, in the manner required by law for official action by the body, that taxes that become delinquent on or after February 1 of a year but not later than May 1 of that year and that remain delinquent on July 1 of the year in which they become delinquent incur an additional penalty to defray costs of collection, if the unit or district or another unit that collects taxes for the unit has contracted with an attorney pursuant to Section 6.30. Except as provided by Subsection (e), the [The] amount of the penalty may not exceed the amount of the compensation specified in the contract with the attorney to be paid in connection with the collection of the delinquent taxes.

(e) If the property owner is a disabled veteran and the property is the veteran's residence homestead, the amount of the additional penalty may not exceed the lesser of:

(1) the amount of the penalty prescribed by Subsection (a); or

1 (2) an amount equal to the applicable percentage of
2 the amount of the delinquent taxes for which the additional penalty
3 is incurred, as follows:

4 (A) six percent if the taxes remain delinquent on
5 July 1 of the tax year in which the penalty is incurred;

6 (B) 15 percent if the taxes remain delinquent on
7 July 1 of the first tax year after the tax year in which the penalty
8 is incurred; or

9 (C) 20 percent if the taxes remain delinquent on
10 July 1 of the second tax year after the tax year in which the penalty
11 is incurred.

12 (f) In this section:

13 (1) "Disabled veteran" has the meaning assigned by
14 Section 11.22.

15 (2) "Residence homestead" has the meaning assigned by
16 Section 11.13.

17 SECTION 2. Section 33.08, Tax Code, is amended by amending
18 Subsection (b) and adding Subsections (f) and (g) to read as
19 follows:

20 (b) The governing body of the taxing unit or appraisal
21 district, in the manner required by law for official action, may
22 provide that taxes that become delinquent on or after June 1 under
23 Section 26.07(f), 26.15(e), 31.03, 31.031, 31.032, 31.04, or 42.42
24 incur an additional penalty to defray costs of collection. Except
25 as provided by Subsection (f), the [The] amount of the penalty may
26 not exceed the amount of the compensation specified in the
27 applicable contract with an attorney under Section 6.30 to be paid

in connection with the collection of the delinquent taxes.

(f) If the property owner is a disabled veteran and the property is the veteran's residence homestead, the amount of the additional penalty may not exceed the lesser of:

(1) the amount of the penalty prescribed by Subsection (b); or

(2) an amount equal to the applicable percentage of the amount of the delinquent taxes for which the additional penalty is incurred, as follows:

(A) six percent if the taxes remain delinquent on the date the penalty is incurred as provided by Subsection (c);

(B) 15 percent if the taxes remain delinquent on the first anniversary of the date the penalty is incurred as provided by Subsection (c); or

(C) 20 percent if the taxes remain delinquent on the second anniversary of the date the penalty is incurred as provided by Subsection (c).

(g) In this section:

(1) "Disabled veteran" has the meaning assigned by Section 11.22.

(2) "Residence homestead" has the meaning assigned by Section 11.13.

SECTION 3. Section 33.11, Tax Code, is amended by amending Subsection (c) and adding Subsections (h) and (i) to read as follows:

(c) Except as provided by Subsection (h), the [The] amount of the penalty may not exceed the amount of the compensation

specified in the contract with the attorney to be paid in connection with the collection of the delinquent taxes.

(h) If the property owner is a disabled veteran and the property is the veteran's residence homestead, the amount of the additional penalty may not exceed the lesser of:

(1) the amount of the penalty prescribed by Subsection (c); or

(2) an amount equal to the applicable percentage of the amount of the delinquent taxes for which the additional penalty is incurred, as follows:

(A) six percent if the taxes remain delinquent on the date the penalty is incurred as provided by Subsection (b);

(B) 15 percent if the taxes remain delinquent on the first anniversary of the date the penalty is incurred as provided by Subsection (b); or

(C) 20 percent if the taxes remain delinquent on the second anniversary of the date the penalty is incurred as provided by Subsection (b).

(i) In this section:

(1) "Disabled veteran" has the meaning assigned by Section 11.22.

(2) "Residence homestead" has the meaning assigned by Section 11.13.

SECTION 4. The changes in law made by this Act apply only to the additional penalty on taxes that become delinquent on or after the effective date of this Act.

SECTION 5. This Act takes effect immediately if it receives

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1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2015.